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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

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June 24, 2011

Peggy E. Gustafson
Inspector General
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Ms. Gustafson:

I am writing to request that you review allegations of fraud raised by Michael Channell, the former owner of Channell Construction Company, which participated in the Small Business Administration's 8(a) program from approximately 1996-2004.

Mr. Channell first communicated with my office on May 10, 2011. He alleged that a former Channell Construction Company employee, Mark Rubin, repeatedly made fraudulent representations to the government regarding the company's financial and contractual certifications without Mr. Channell's knowledge or consent. Mr. Channell stated that this activity occurred over the course of several years while Channell Construction Company participated in the 8(a) program and held contracts from multiple federal agencies. Mr. Channell also alleged that Mr. Rubin is continuing this activity under federal contracts held by other companies.

If true, these allegations are very troubling. However, our office does not have the resources or expertise to assist Mr. Channell further. As a result, I request that you evaluate Mr. Channell's claims and, if warranted, undertake a thorough investigation. Mr. Channell can be reached at (402) 291-3345 and can share additional information and documents with you.

I appreciate your assistance. Please contact Alan Kahn with the Subcommittee staff at (202) 224-3230 with any questions. Please send any official correspondence relating to this request to kelsey_stroud@hsgac.senate.gov.

Sincerely,



Claire McCaskill
Chairman
Subcommittee on Contracting Oversight